Airline Passenger Baggage Screening – Technology and Airport Deployment Update

Oral Testimony Of

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Before The

House Committee on Transportation and Infrastructure
Subcommittee on Aviation

June 29, 2006

Good morning, Mr. Chairman and Members of the Committee. I am Hershel Kamen, Staff Vice President for Security and Regulatory Affairs of Continental Airlines. I apologize that I am not able to be present in person and represent my 42,000 co-workers at Continental but request that this oral statement, in addition to my longer written statement already provided, be included in the record. I would also be happy to answer questions either in person (at a future date) or in writing for the record.

As you know, after the tragic events of September 11, 2001, Congress acted quickly to tighten the security of the U.S. aviation system and created the TSA to oversee and operate the screening of passengers, baggage and cargo. As aviation security moved to become a national security issue, this move was an important step in securing our skies. The Chairman and many others on this committee played an important role in making these critical moves.

Over the last several years, Continental has successfully partnered with TSA on baggage screening projects at all of our hubs. For example, Continental, the City of Cleveland and TSA are in the midst of constructing a badly needed expansion of a baggage screening system at Cleveland Hopkins International Airport. Continental and the Houston Airport System are also in discussions with TSA on a baggage screening project for Houston Bush Intercontinental.

During 2003 and 2004 TSA at Newark Liberty International Airport Terminal C experienced difficulties in handling the volume of bags at the terminal and shagging bags between nodes was common (even between levels). The throughput of the stand alone bags did not allow for an efficient process and the lobby based system in such an infrastructure constrained terminal caused significant crowding problems. Additionally, the customer service was terrible because passengers were forced to check in with Continental and then shag their own bags (once tagged) to one of multiple TSA screening nodes. The system also required a high number of officers to maintain the ability of TSA to screen the bags in a timely manner, due to the manual nature of the loading and unloading process. We also understand that TSA was plagued by very high OJI problems due to the physical nature of the screening.

Continental and the Port Authority of New York and New Jersey (PANYNJ) investigated the possibility of constructing an inline baggage screening system for Liberty Terminal C, but this proved to be a very difficult task. Because of the infrastructure constraints inherent at the airport and the cost environment of the area, any theoretical proposal was either too operationally challenging to implement or too costly to be funded.

In 2004 Continental designed and in 2005 Continental began construction on a proposal that would simply integrate the units with exit and entry conveyors, add a couple of additional units at recheck to increase throughput, and enclose the units behind walls out of the public view. All would integrate the units into the

check in process so that passengers would not need to be inconvenienced, but the systems would not be inline with the baggage handling system nor would they be networked in any way. In partnership with Continental and PANYNJ, TSA agreed to fund a portion of this interim project. The international recheck level was completed mid-2005, the international check in level was generally completed in early 2006. The domestic level is expected to be completed by Thanksgiving of 2006.

In the summer of 2004, Continental was approached by Reveal Imaging Technologies (Reveal) about a product they were testing with TSA. The product, a unit called CT-80, is a smaller version of the current Invision and L-3 CTX machines and intended to provide the same level of electronic screening but at a cheaper price and with a significantly smaller unit.

In October 2004 key representatives of Continental met with representatives of Reveal at their headquarters outside Boston. At that meeting, the idea of Reveal possibly being beneficial for the baggage screening issues at Liberty Terminal C was discussed.

Over the course of the next few months, Continental moved forward with the proposal to integrate the existing CTX units at Liberty while also continuing the discussions with Reveal a potential proposal for a pilot program at Liberty. While it was understood that Continental was committed to the CTX integration proposal and would be moving forward with that project, and also that Reveal had not yet been tested or approved, the view was that Reveal could potentially be a long term opportunity that was worth investigating and testing,.

During November and December 2004, Continental worked on a presentation with Reveal that would serve the purpose of being a pilot proposal. Reveal was charged with designing the documents. In the proposal, Reveal and Continental suggested that five CT-80 units be placed on the mid level domestic check in area (far left side) in an integrated ticket counter configuration. Two unit placements were recommended to test their various pros and cons. It was estimated at the time that start up costs for the proposal would be nearly $.55 million for actual installation (not including the cost of the units).

The pilot proposal called for a single Level 2/Level 3 resolution area positioned at the end of the takeaway belt, prior to when bags continue on the outbound belt to the bag room. A diverter was to be placed on the takeaway belt to segregate all non-cleared bags.

In February 2005 Continental met with TSA to discuss the proposal for the joint Continental, PANYNJ and TSA CTX interim integration project. At the meeting, Continental's interest in participating in the Reveal pilot program was also raised.

During March, April and May of 2005, Continental worked with Reveal, Raytheon, and local TSA on various configuration designs for the project (as the initial designs were either deemed not viable or acceptable). Continental expressed some concern as to the assumptions being used (including an assumption of throughput of 100 bags per hour) and as to the proposals for counter space and layout. Ultimately Continental, Raytheon and TSA agreed to move forward. The goal was for installation in time to meet the early summer peak period (i.e. before Memorial Day).

Because of various additional delays that are best addressed by TSA, Raytheon, or Reveal, the three Reveal CT-80 units were not installed until in mid-September and the pilot program was run.

Continental's experience with the units has been that they are about as reliable as other CTX products, but the throughput is less positive. At the end of the day, Continental cannot provide any concrete evidence that supports or negates the idea that Reveal units would be a good ticket counter solution in a hub environment due to the changes to the pilot scope and the fact that the CT-80 units were not tested in an inline configuration. The formal pilot results are best addressed by TSA.

Mr. Chairman and Members of the Committee, again, thank you for the opportunity to address this issue. While I regret that I was not able to appear in person at this time, I would be happy to appear in the future to follow up on any questions you may have, or provide written answers to your questions for the record.